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# **(Re)considering New Agents: A Review of Labour Market Intermediaries within Labour Geography**

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## **Abstract**

The world of work continues to change. Labour markets in most countries are increasingly shaped by policies of neoliberal deregulation while strategies of flexibility dominate public policy and corporate strategy across an array of sectors. At the forefront of these changes are the myriad labour market intermediaries that are used by workers and employees to enhance their ability to navigate ever more complex and volatile labour markets. For some, mediated employment, recruitment and work practices mean greater career progression and profit making ability, but for many others it means increased precarity, vulnerability and insecurity. This paper critically reviews existing literature within geography on three types of private labour market intermediary, namely; temporary staffing agencies and contract brokers; executive search firms and headhunters and; informal intermediaries such as gangmasters. The final section addresses the future for research in labour geography and, in particular, suggests new ways in which to broaden our understanding of labour market intermediaries and their impact on worker agency.

## **Introduction**

Since the 1970s labour market deregulation and flexible employment practices have led to a “frenzy of academic and populist speculation about the future of work” (Wills 2009, 442). Recently described by the Labour Party leader as “nasty, brutish and short-term” (Wintour & Topping 2012) the contemporary UK labour market, and indeed that of many other countries, is fundamentally characterised by the increasingly individualised nature of work and the

growing ‘contractualization’ of employment (Standing, cited in Allen & Henry 1997). For workers at the lower-end of the labour market this means increased risk and insecurity (Allen & Henry 1997) whereas, for the “desirably qualified” it can mean enhanced career development (Wills 2009, 443). Nonetheless, for employees of all types their future success and security increasingly depends on their ability to navigate ever more complex and volatile labour markets (Benner 2002). As such, employers and employees across an assortment of sectors and skill sets are using labour market intermediaries (LMIs) to help them do just that. Yet, Benner (2002, 86) points out that ‘few studies of labor [sic] markets even recognise the importance of intermediaries’. This is beginning to change as a growing body of literature reconsiders the growth and significance of LMIs for workers, employers and labour markets. This paper reviews the existing geographical literature across three groups of LMIs; temporary staffing agencies (TSAs) and contract brokers; executive search firms and headhunters; and the emerging research agenda on informal intermediaries and gangmasters. The paper then concludes by suggesting how future research can take forward our understanding of LMIs and their impact on labour agency.

## **What are LMIs?**

Traditionally the definition of a LMIs referred to the brokering or matching activities in which employers and job seekers use a third party to help find a ‘best match’ (National Commission of Manpower Policy 1978 in Benner 2002). Indeed, various organisations throughout history have occupied this role in different forms. Fisher (1951) acknowledges the importance of labour contractors for supplying Chinese harvest workers during extreme seasonal fluctuations in demand in California as early as 1880 and later Mexican and Filipino workers through to the 1940s. Others have argued that certain types of LMIs - namely

employment agencies in the UK and temporary help firms in the US - were well established by the 1930s and had been used in London before World War I (Moore 1965). However, many agree that the use of these types of LMI's became widespread after World War II and it was during this time that many of the largest contemporary employment agencies were established such as, Kelly Services and Manpower Inc. (Ward 2004). It was after the 1970's that the use of LMIs in the UK and US really took off and spread steadily into Western Europe.

Chris Benner provides one of the few in-depth explorations, from a geographical perspective, of multiple LMIs. In *Work in the New Economy* (2002) and *Staircases or Treadmills?* (2007) Benner and colleagues examine the role of different LMIs among groups of workers in the knowledge economy of Silicon Valley and in aiding low-wage workers in Milwaukee. Benner (2002, 2003) offers a more comprehensive definition of LMI's which moves beyond the simple 'matching up' activities previously suggested and in addition considers four fundamental functions that LMIs perform within the labour market. These include: reducing transaction costs, shaping compensation levels, risk displacement (particularly onto workers) and network building. By considering these four actions Benner takes into account the traditional transaction cost approach but is also able to consider the wider non-market social relationships that shape the economic transactions between intermediaries and workers/employers and which are not driven solely by pricing and efficiency.

Using this definition Benner (2002) identifies three types of LMI; private sector, membership-based and public sector. Public sector and membership-based intermediaries such as training/education institutions, professional guilds, trade associations and unions primarily aim to improve labour market outcomes for workers. In contrast, private sector LMIs generate profit by selling their services to employers and according to Coe and Jordhus-Lier (2010, 226) "represent a unique fraction of capital... that provides an

increasingly important range of labour market services”. Moreover, research has shown that within both low-end temporary and elite labour markets private profit-seeking LMIs are driving market development and changing employment norms (Peck & Theodore 2002; Faulconbridge et al. 2008). Whereas, public and membership-based intermediaries are more likely to emerge as a *response* to rapidly changing and volatile employment conditions (Benner 2002). Therefore, in order to understanding how LMIs are actively shaping labour markets, this paper focuses on *private for-profit* LMIs and reviews existing research on three types; those that focus on temporary (TSAs) and permanent (headhunters) work placements and those that function informally (gangmasters).

### **Labour market intermediaries and flexibility**

The burgeoning use of LMIs by firms and workers should be understood within the wider context of neoliberal labour market deregulation and the rise of *flexibility* within labour market policy and corporate strategy. Flexibility remains a contested and value laden concept, holding different meanings depending on those analysing it (see, Buzar 2008) and there is insufficient room in this paper to unpack such a term. Nonetheless, we can learn a lot about the rapidly increasing use of private sector LMIs by exploring how others have analysed their role in relation to increasingly flexible labour markets.

Many have critically examined the massive changes in employment and labour markets since the mid 1970s (Osterman 1999; Kalleberg 2001, 2009). This period of neoliberal reform has been characterised by intensified economic integration and global competition, the outsourcing of manufacturing and the concomitant emphasis on knowledge-intensive work (Kalleberg 2009). In turn, this has led to a systemic enforcement within public policy of flexibility initiatives designed to enhance the functioning of ‘frictionless’ markets (Crouch 2010). The culmination of this has enhanced the need for firms to react quickly to market

fluctuations while externalising the costs of market downturns. Indeed the idea of the ‘flexible firm’ has been used to describe different ways in which firms may adapt their human resource management strategies to better react to this multifaceted competition (Atkinson 1984; Atkinson & Meager 1986; Dale & Bamford 1988; Storper & Scott 1990; Peck 1996). This stream of public policy and corporate strategies aimed at enhanced flexibility within the labour market and the firm has shifted our ideological view of work away from the secure, unionised, life-long career common during the post-war era towards contractualised, individualised and often insecure employment. The growth of LMIs has been a response to this fever of flexibility as well as a compounding force for it. Benner (2002, 6) states that;

Flexibility in regional labor [sic] markets contributes to the growth of intermediaries, which in turn help facilitate labor market flexibility – in essence labor market intermediaries are a fundamental feature of labor markets in the information economy.

LMIs play a strategically important role in delivering labour market flexibility and can be used by firms in different ways to introduce flexibility into their corporate strategies. By providing firms with part-time or temporary workers temporary staffing agencies and contract brokers facilitate flexible staffing arrangements. They allow firms to make quantitative adjustments to their labour force quickly and easily through external numerical flexibility (see Kalleberg & Marsden 2005). Firms are also able to individualise employment relations and wage bargaining by weakening trade unions through the employment of temporary agency workers. Contract brokers can recruit independent contractors to undertake specialist tasks within the firm without tying them to restrictive employment contracts thus easing hiring and firing within firms. Firms may also recruit multi-skilled workers through LMIs which can be deployed throughout the workplace allowing greater internal functional flexibility. Other LMIs such as employment agencies and headhunters are expanding their

remit of activities to facilitate labour market flexibility for both firms and workers and further aid in the navigation of complex and unpredictable labour markets. Firms - in particular small firms - may also introduce flexibility into their corporate strategies by forming networks or strategic alliances with other firms (Bryson et al. 1999) or through the externalisation (subcontracting) of certain services which can include recruitment via LMIs.

Their increasing role as purveyors of flexibility means intermediary institutions are reshaping the dynamics of flexible labour markets (Peck & Theodore 2007). Moreover, the presence of some LMIs, especially temporary staffing agencies, in nearly all countries and across a growing number of sectors means that these LMIs provide both firms and policy makers with a new institutional medium through which to enhance the flexibility of labour markets. In many cases this means off-loading the risks of increased economic uncertainty onto workers (Allen & Henry 1997; Peck & Theodore 2002).

### **Temporary staffing agencies and contact brokers**

Temporary staffing agencies (aka temporary help firms/temporary work agencies) and contract brokers facilitate the outsourcing of jobs to workers on open-ended contracts with limited fringe benefits. Although the name suggests short-term placements, ‘temps’ or ‘contractors’ can be employed on long-term or rolling contracts referred to as ‘permatemps’. This can vary depending on national regulations, for example; in the Netherlands temps have the right to a permanent contract after 3.5 years, whereas, in France the average duration of a temporary work assignment is 9.5 days (UNITE 2007). These LMIs can also be used by firms to screen potential permanent employees through ‘temp-to-perm’ agreements (Ward et al. 2001; Theodore & Peck 2002; Benner et al. 2003). Yet, the degree to which these initiatives increase the chance of temps being employed permanently are debatable as the work by Amuedo-Dorantes (2000) on temporary workers in Spain demonstrates. Research has shown

that routine, peripheral work (e.g. call centre workers or production/warehouse operatives) and outside expert jobs, especially those where skills are required only periodically (e.g. web developers), lend themselves particularly well to outsourcing via this type of intermediary (Purcell et al. 2004).

Employers utilise these arrangements as a strategic alternative to direct employment during fluctuations in demand, to cover short term absenteeism, when (non-firm-specific) expert skills are required, for seasonal agricultural work or unsociable shifts patterns (Peck & Theodore 1998; McDowell et al. 2009). These intermediaries charge client firms a fee based on the hourly wage of each temp. Although hourly rates are not necessarily cheaper clients often make cost savings through benefit reductions, lower exit costs and minimal screening and training (Purcell et al. 2004). TSAs and contract brokers can be characterised by the *triangular relationship* between the LMI, the temporary employee and the client firm (Gonos 1997; Forde 2001; Druker & Stanworth 2004). This relationship creates distinctive dynamics vis-à-vis direct employment. For example, Gottfried (1991, 1992) notes the dual mechanisms of control imposed on her as a temporary worker during participant observation in Midwest America. Van Breugel et al. (2005) discuss the commitment of contingent workers towards host organisations in the Netherlands. And Forde (2001) has considered the deepening functional integration between TSAs and clients in the UK which allow the intermediary principal control over recruitment functions and an on-site presence at the client company (see also Ward 2003, 2004). These issues can blur the boundaries of the firm and distinctions between internal and external labour markets (Peck & Theodore 1998).

The regulation of TSAs and contract brokers varies across countries. The US and UK have embraced projects of re-regulation such as the redesign of social-welfare, employment policies and labour and industrial relations laws in order to accommodate the use of TSAs. This has led to thriving industries for temporary staffing which currently represent the first



(27% total annual sales) and third (9%) largest markets respectively. Some labour advocates have since campaigned for the legal reclassification and legislative reform of agencies in these countries in order to “effectuate a fair regime of regulation for these formidable players” (Freedland 2003; Freeman & Gonos 2005, 295). Other countries in Europe such as France, Germany and the Scandinavian nations have been more cautious about their liberalisation of employment regulation, nonetheless the temporary staffing industry in these countries has been growing quickly since the early 1990s (Peck et al. 2005). Other countries such as Italy, Japan, Greece, Belgium and the Netherlands began developing regulatory frameworks conducive to temporary staffing only after the International Labour Organisation (ILO) passed convention 181 in 1997. This convention explicitly acknowledge the constructive role of private employment agencies in the functioning of labour markets thus giving these LMI’s a regulatory green light and sparking further growth within Europe and other countries (Peck et al. 2005). Today countries such as Brazil and South Africa are showing rapid growth in private employment agencies while Japan recently emerged as the second largest market for agency work representing 19% of the world market (Cieltt 2012).

It has been argued that the LMIs that supply temporary workers are polarised between TSAs which supply low-skilled ‘temps’ and contract brokers that supply specialist temporary workers (Peck & Theodore 1998, 2001; McDowell et al. 2008). In most cases specialist contract brokers emphasise a value added approach, quality of service and customised supply in the interests of the client company *and* employees (Purcell et al. 2004). Contracting has long been popular in industries such as construction which is dominated by small and medium sized companies meaning the division of labour is such that large companies act as general contractors while others are usually subcontractors committed only for the duration of individual projects (Fellini et al. 2007). Fellini et al. (2007) discuss the role of contracting within the construction industry in Italy, Portugal, Germany, the UK, the Netherlands and

Switzerland and argue that recruitment agencies (the Netherlands) and subcontractors (Italy and Portugal) within the construction industry can have a significant impact on migration flows in different countries. Contracting has also become increasingly widespread amongst business services, engineering and management services both in the US and Europe since the 1970's (Kalleberg 2000). Skilled technicians and IT professionals placed by contract brokers often act as *self-employed* or *independent* contractors affording them greater autonomy than lower-skilled 'temps' (Benner 2002; Purcell et al. 2004). Contractors can benefit from being employed via a LMI, for example; Pearce (1993 in Van Breugel et al. 2005) found that aerospace contractors in a large US company earned more than regular employees in the same positions. Furthermore, Benner (2002) notes that contract brokerage firms allow specialised consultants to market themselves (through the intermediary) to a higher number of clients and provide an important service in the knowledge economy. Consequently, highly skilled workers working on a temporary basis often benefit from using contract brokers and may prefer this to permanent work (Benner 2002).

In contrast, TSAs pursue a low-margin high-volume business strategy by placing large pools of low-skilled labour, emphasis is placed on cost, speed and "hassle reduction". This is illustrated particularly well in Peck and Theodore's (1998, 2001) study of the back-street Hiring Halls of Chicago – America's heartland of temporary staffing. The characteristically thin margins of the temporary staffing industry (TSI) have led to aggressive strategies of diversification and internationalisation which Ward (2004) explores with reference to some of the world's largest TSAs namely Adecco, Manpower Inc., Randstad, Kelly Services and Vedior (see also Coe et al. 2007). While highly skilled workers often benefit from using contract brokers McDowell et al. (2009) argue that low-skilled workers employed via TSAs are some of the most vulnerable. The emphasis on price and the inherent threat of competition within the TSI means many of the risks faced by agencies are passed onto

workers (Allen & Henry 1997). Furthermore, by carrying out discriminatory hiring practices and other unscrupulous client demands Peck and Theodore (1998) found that TSAs can actually institutionalise inequality and reify tendencies of segmentation creating hierarchies of inequality and new types of workforce stratification amongst the most vulnerable workers. In addition to the mass of LMIs which place large pools of low-skilled workers particularly within the clerical and light industrial sectors, it is possible to identify employment agencies across all sectors that recruit and place different types of workers. Furthermore, Coe and Jordhus-Lier (2010) argue that neoliberal restructuring has opened up a huge market for staffing agencies in the public sector. Indeed, there is a growing prevalence of these LMIs that place teachers, locums, health care professional and other public servants within local councils and other public organisations. For example, McDowell et al. (2009) discuss the experiences of economic migrants from the European Union that work for the NHS via employment agencies.

The continued geographical and sectoral spread of the temporary staffing industry has led to a rapidly developing body of research in economic geography. Coe et al. (2010) provide an insightful review of this literature in this journal and suggested four areas of future research. Namely, i) how TSAs ‘make a difference’ and construct markets by reshaping employment norms, expanding into new sectors and countries and engaging in the political sphere; ii) the fine grained ways in which wider labour market regimes shape nationally distinctive temporary staffing markets. Some have argued that a city-by-city analysis of regionally distinctive temporary staffing markets is also important (Peck & Theodore 2002; Ward 2005); iii) how the market for temporary staffing expands geographically and why, how, where and with what effects the temporary staffing industry is globalising; and iv) the role played by TSAs in the mediation of migration. Significant inroads have been made to this agenda not least in research which has considered the thousands of labour recruiters within

Asia and their role as ex-porters of labour and the subsequent impact on the global flow of migrant labour. For example, Tyner (1998) explores labour recruitment websites in Asia and their impact on the spatial organisation of international labour migration particularly in the deployment of domestic workers such as nannies and carers. Tyner argues that statistical prejudgments by agencies can contribute to the gendered and racialised patterns of labour migration. Moreover, Ho and Tyson (2011) argue that labour recruitment agencies play a crucial role as facilitators of emigration into some Asian countries and create one of the major regional pathways of migration in Singapore particularly amongst skilled and unskilled labourers.

The TSI represents itself as a passive market-enhancing service provider representing and reconciling the needs of supply (labours desire for non-standard) and demand (employers additional labour requirements). However, Peck and Theodore (2002, 147) argue that the TSI is in fact an “*active intermediary* in the job market”. They state that TSAs *make* their markets by providing new employment solutions and enhanced flexibility to firms. This has led to a host of insecure and precarious characteristics now associated with many national labour markets, such as; two tier compensation systems in manufacturing, the normalisation of pre-screening in clerical and administration work, deunionisation, the erosion of employer-sponsored benefits, the displacement of risk onto workers, lean workforce systems, the casualisation of public sector jobs and the restructuring of incentive systems (Peck & Theodore 2002). Far from the passive intermediary the industry would have us believe TSAs have had a huge impact on our labour markets.

### **Executive search firms and headhunters**

Outside of temporary work, executive search agencies and headhunters play a pivotal role in the supply of specialised highly-skilled workers for permanent positions. Although the

function of TSAs within low-end labour markets has encouraged critical debate, “at the opposite end of the labour market, there remains an absence of scholarship” (Faulconbridge et al. 2008, 211). However, within economic geography Beaverstock, Faulconbridge and Hall have begun to address this “troubling void” and examine the strategies and influence of executive search agencies in elite labour markets (ibid). In contrast to TSAs and contract brokers these LMIs are used to find highly-skilled permanent workers for the *core* workforce or those at the pinnacle of organisational hierarchies (Faulconbridge et al. 2009). In the highest echelons of these secretive intermediaries executive search firms charge a fee in advance of any placement and many refuse jobs with a starting salary below £100,000. There are an estimated 5,000 of these executive search firms worldwide and some of the leading firms include Heidrick & Struggles, Korn/Ferry, Spencer Stuart, Egon Zehnder, Russell Reynolds and Globe (Jenn 2005).

These intermediaries have been particularly important in the “war for talent” (see Michaels et al. in Faulconbridge et al. 2009, 800) as emphasis is placed on the need to recruit talented executives that can drive innovation and increase profitability in the knowledge economy. This process is intensified by the growth of “mobile talent” as experts are “poached” from rival firms in order to avoid missing-out on new ideas and star candidates from outside the internal labour market (Faulconbridge et al. 2008, 214-217). As such, headhunters and executive search firms provide highly specialised, value added networks which tap into geographically dispersed elite labour markets and find talented candidates. Vinodrai (2006) argues that in niche industries these intermediaries may be less effective. For example, in Toronto’s design industry the fuzzy boundaries of the occupation cause confusion among some larger headhunting firms that do not understand the industry, rendering them of little use to designers. However, headhunters and executive search firms are now present in many professional and extremely specialised industries with boutique consultancies in niche sectors

or large agencies with specialist divisions covering sectors from the oil and gas industry to Chinese equity analysts to particular niches of the bio-tech sector (Jenn 2005; Faulconbridge et al. 2009).

As is the case with TSAs, Headhunters and executive search firms play an active role in shaping employment relations, changing recruitment practices and *creating* markets. Faulconbridge et al. (2008) argue that headhunters reproduce demand for their services through internationalisation of the industry which allows them to promote market-making rhetoric, navigate best practice guideline restrictions and promulgate the legitimacy of headhunting above direct recruitment. The tactics used in the geographical spread of the elite search industry depend on and reproduce rhetoric associated with the knowledge economy. Headhunters ensure that corporations entrust the search for their highest executives to elite search agencies in the belief that there is little alternative and without these intermediaries they risk inefficient recruitment, losing out on the best candidates and ultimately compromise their competitiveness. As such, Faulconbridge et al. (2008) argue that headhunters have cultivated the awareness of and desire for headhunting across different geographical markets.

Further to this, Faulconbridge et al. (2009, 801) argue that executive search firms play a significant role in defining the nature of ‘talent’ thus “determining who does and does not classify as a talented individual”. They refer to this at a “new boys network” in which skilled workers are required to meet key markers of cultural capital and ‘talent’ determined by headhunters. This creates a “geographically inscribed hierarchy and exclusiveness” and means that certain candidates dominate at the expense of those that do not fit the markers set by headhunters (Faulconbridge et al. 2009, 807). As such, the proliferation of executive search firms within elite labour markets means certain skilled workers may be marginalised and disadvantaged along lines determined by LMIs.

Beaverstock et al. (2010) and Hall et al. (2009) also examine the ways in which elite search agencies embed themselves in labour markets. They analyse the expansion and internationalisation strategies of executive search firms and consider the ‘softer’ processes of ‘professionalization’ and ‘legitimization’. They argue that these softer processes such as reputation building and creating a culture of acceptance require greater attention when considering the strategies of unbounded professions. Earlier work by Clark (1993) suggests that minimal barriers to entry create distinctive characteristics within the executive recruitment industry and as a result there is a mix of high and low quality consultants in the UK. Therefore, trust producing mechanisms such as contingent fees, reputation (corporate and individual) and regulation (contractual agreements) of the executive recruitment industry are important in mitigating decline in service quality and possible market collapse.

There are similarities between intermediaries that specialise in permanent and temporary recruitment not least the focus on profit-driven employer centric services, minimal barriers to entry and the off-setting of risk onto workers. Furthermore, their growing diversification and internationalisation into numerous countries and sectors of the labour market leave most with little choice but to utilise their services in some form. However, intermediary organisations and their actions do not always exist within formal or regulated spheres. The following section provides an overview of the approaches and emerging research amongst informal intermediaries, specifically the practices of gangmasters in the UK.

### **Informal intermediaries**

Perhaps the most well-known account of informal for-profit LMIs in the UK is associated with the drowning of 23 cockle pickers in Morecombe Bay in 2004 that were recruited and organised via a gangmaster. The gangmaster was convicted for their manslaughter while the owners of the company that traded the cockles faced no charges as the ‘indirect’ employers of

the cocklers – a bleak yet lucid illustration of the offset risks afforded to employers by some LMIs. A recent report by Oxfam states that “workers employed through gangmasters are some of the most vulnerable and exploited in the UK” (Oxfam 2009, 1). Yet, this group of workers and the associated gangmasters have received little attention in labour geography and could be considered as one of the “often-neglected groups” within the discipline (Lier 2007, 829). This is surprising considering the UK’s resurgent use of gangmasters since the 1980s - far from a historic relic of the feudal system nor confined to the gruelling work regimes of less developed countries – gangmasters are a fundamental feature of capitalist agriculture and have become a common and necessary intermediary for many unskilled workers and employers within agribusiness enterprises (Brass 2004). The work by Strauss (2012b, 2) has begun to address this as she considers the resurgence and social reproduction of gang labour in the UK in relation to “neoliberal imperatives to create flexible labour markets”.

The Gangmasters Licensing Authority (GLA) was established in 2004 to officially license labour providers in agriculture, horticulture, food processing, shellfish gathering and forestry sectors thus protecting workers and employers by ensuring that gangmasters operated within the law. However, its success in reducing the exploitative nature of gang labour especially within supermarket supply-chain agriculture is questionable (see Strauss 2009, 2012b). Moreover, Oxfam reports that abuses by unlicensed, informal gangmasters still exist in sectors beyond its remit (for example in construction, hospitality and care) and against workers fearful of whistle blowing. Indeed, the fuzzy boundaries and limited regulation concerning the activities of informal gangmasters requires greater theoretical and empirical exploration. Furthermore, Strauss (2012b) promotes further research on the scalar complexities of gang labour which take into account the regional and national institutions and regulation that mediate the processes of work.



There are strong ties between gangmasters and the use of migrant workers (see Kuptsch 2006). Evidence presented by Oxfam suggests that individual and organised networks of gangmasters encourage workers to move to the UK by facilitating travel, accommodation and employment. These practices are often associated with illegal and exploitative practices such as forced or coerced labour, smuggling and trafficking (Schmidt 2006; Oxfam 2009). This has been compounded by EU accession and the influx of Eastern European workers, both independently and via gangmasters. During this time in 2004 reports of abuse by intermediary organisations increased markedly (Oxfam 2009). Indeed, McDowell et al. (2009) argue that economic migrants are often forced to accept the most precarious jobs while limited regulation in the UK labour market (compared with the rest of Europe) has led to competition among the migrant workforce for casual positions at the ‘bottom-end’ of the labour market. Moreover, Andrees (2006) reports that the vast majority of migrant workers that use intermediaries are using informal employment agencies and gangmasters<sup>1</sup> and are more likely to experience coercion and forced labour as a result.

The practices of gangmasters and their role in the exploitation of migrant workers have been portrayed in films such as *It's a Free World* (2007) by Ken Loach and *Ghosts* (2006) by Nick Broomfield. However, the practices of these agents and their role in the movement of workers over national borders is one of the most under researched topics in migration research (Kuptsch 2006). Further research within economic geography on the role of gangmasters in the UK might also draw on discussions and evidence from the temporary staffing literature and in particular the role of these organisations in the migration of Asian workers in domestic jobs and the institutionalisation of gendered and racial segmentation as well as the inevitable links with existing work on coerced and forced labour (see Strauss 2012a).

## **Conclusion: LMIs and labour geography**

This paper has critically reviewed the literature on three broad types of LMI and provides one of the few attempts to discuss the impacts of multiple LMIs in one place. It has demonstrated that the role of LMIs within out labour markets is varied but nonetheless, there are few employees or employers that can avoid these organisations in some form. Crucially though, in reviewing the literature on LMIs this paper has highlighted that across both temporary and permanent employment and below the formal regulation or protection of national regulation LMIs play an active role in shaping how people are employed, who gets employed and where people are employed. Moreover, the research has shown that LMIs need to be understood as a growing institution within the labour market the presence of which cannot be ignored in future studies of labour or employment. As a means of drawing these approaches together, here I suggest directions for future research within labour geography.

The sub-discipline of labour geography is dedicated to understanding labour as an *active maker of social space* and has developed a diverse body of research with “an explicit focus on the spatiality of particular worker struggles” (Lier 2007, 821 see also Castree et al. 2004; Castree 2007; Rogaly 2009). As labour geography continues to develop and extend its areas of analysis, the *agency* of labour has come under increasing scrutiny. In an attempt to move beyond the rather abstract discussions of labour agency Coe and Jordhus-Lier (2010) encourage a re-embedded understanding of labour agency through further study of four social arenas that are fundamental to labour and its political organisation, these are: capital, the state, the community and *labour market intermediaries*. They offer an analytical path for labour geography which requires future research to reconnect the agency of labour with the economic and societal systems that surround workers. Hence, taking account of the existing research as well as Coe and Jordhus-Lier’s proposition I suggest the following research agenda to help understand what role geography may play in the relationship between LMIs and the agency of labour.

417 First, future research on LMIs should consider how these organisations are changing the  
418 *spatial* dynamics of labour agency. LMIs have created a distance between the employee and  
419 the employer both spatially – as workers move between multiple workplaces – and  
420 emotionally – as workers have little industrial relations contact with their “real employer”  
421 (Wills 2009, 444). This creates structural disempowerment for workers because the mutual  
422 dependency between worker and employer is severed by the intermediary thus making  
423 collective bargaining impractical (Wills 2009). Wills argues that workers need to navigate the  
424 intermediary and find new ways of bargaining with their real employer. She presents  
425 examples of alliance-building between workers and groups at different geographical scales  
426 which have allowed workers to target their real employers and improve working conditions  
427 and wages. Future research should therefore give greater consideration to how LMIs disrupt  
428 conventional employment relationships and in turn affect the spatiality of labour agency i.e.  
429 where and towards which actors agency is directed.

430 Furthermore, Lier (2007, 826) notes the tendency for research in labour geography to  
431 “overlook worker agency that is not articulated as collectively organised”. However, LMIs  
432 provide workers greater opportunity to express individual agency and improve their  
433 experience of work. For example, the use of contract brokers by skilled workers improves  
434 their ability to approach multiple employers thus increasing employment choice and allowing  
435 for greater individual worker agency. While, limited contractual restrictions on temporary  
436 contracts allow temps to move between different TSAs in order to gain better hourly rates –  
437 although still disadvantaged by the precarious nature of agency work – this demonstrates how  
438 LMIs allow workers to move quickly to ‘better’ jobs thus demonstrating individual worker  
439 agency. Moreover, James and Vira (2012) document the strategic use of a diverse range of  
440 LMIs by call centre workers in India used to circumvent limited internal job ladders and

move to better paid more favourable jobs in other companies, another example of individual worker agency facilitated by LMIs.

Hence, future research on LMIs should consider their influence on worker *mobility* and the effect this has on worker agency. Coe and Jordhus-Lier (2010, 218) identify that “strategies for matching capital’s (potential) mobility” are an essential aspect of the agency of labour. This paper has shown that informal LMIs present a particularly important group in this respect. As such, it is therefore important that future research also accounts for the role of formal *and* informal LMIs in mediating the movement of workers and reshaping worker agency amongst migrant and other mobile workers. In the facilitation of migration LMIs are actively reshaping the spatialities of worker mobility thus having a dramatic effect both in constraining and enhancing worker agency.

Finally, there has been a tendency for research on LMIs to focus on North America and Western Europe. Research on TSAs has made the biggest contribution in moving beyond these industry heartlands to consider ‘temping’ in Eastern Europe (Coe et al. 2008), Australia (Coe et al. 2009a), Sweden (Coe et al. 2009b) and Canada (Vosko 2000). Yet, there has been little work which considers the role of TSAs within the global South. James and Vira (2012) and Endresen (2010) provide noteworthy exceptions to this regarding the role of LMIs in the career progression of call centre workers in India and labour hire agencies in Namibia, respectively. Nonetheless, the study of other LMIs would benefit from further work on their impact beyond the US and Western Europe. Furthermore, future research may benefit from studies which consider the links between a broader range of LMIs. For example, the use of internet-based job-boards which have become a “standard component in many job search strategies” (Benner 2002, 117) yet, have received little attention for their impact on workers experiences and labour market functioning.

465

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<sup>1</sup> The ILO Special Action Programme to Combat Forced Labour was carried out in 2003. It surveyed 644 return migrant workers from Albania, Moldova, Romania and Ukraine.